P-407, 421/CP-88-839VARYING TIME REQUIREMENTS AND DEFERRING CONSIDERATION OF PETITION

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter Chair
Cynthia A. Kitlinski Commissioner
Norma McKanna Commissioner
Robert J. O'Keefe Commissioner
Darrel L. Peterson Commissioner

In the Matter of the Petition for Extended Area Service from Mayer, Minnesota to the Minneapolis/St. Paul Metropolitan Calling Area

ISSUE DATE: February 1, 1989

DOCKET NO. P-407, 421/CP-88-839

ORDER VARYING TIME REQUIREMENTS AND DEFERRING CONSIDERATION OF PETITION

PROCEDURAL HISTORY

On October 20, 1988, the City of Mayer, Minnesota petitioned the Minnesota Public Utilities Commission (the Commission) under Minn. Rules, part 7815.0700, for Extended Area Service (EAS) between Mayer and the Minneapolis/St. Paul Metropolitan calling area (Metro Area). Continental Telephone Company (Contel or the Company) serves Mayer.

In a letter dated November 16, 1988, the Minnesota Department of Public Service (DPS) informed Contel that the City of Mayer had filed an EAS petition. The letter outlined the requirements of Contel to provide information to the DPS pursuant to Minn. Rules, Chapter 7815. Contel was to submit traffic studies to the DPS before December 5, 1988 and cost studies by December 12, 1988.

On December 13, 1988, Contel filed a Request for Variance or Waiver of Minn. Rules, parts 7815.0800 - 7815.1000 to delay processing of this petition until the Metro EAS case is completed. In the Matter of the Petitions of Certain Subscribers in the Exchanges of Zimmerman, Prescott, Waconia, Belle Plaine, North Branch, Lindstrom, New Prague, Cambridge, Hudson, Le Sueur, Cannon Falls, Delano, Northfield, Buffalo, Houlton, and Watertown for Extended Area Service to the Minneapolis/St. Paul Metropolitan Calling Area, Docket No. P-421, P-405, P-407, P-430, P-426, P-520, P-427/CI-87-76.

The DPS did not comment on the requested variance, but notified Contel in a letter filed December 21, 1988 that it had no knowledge of Commission action on Contel's variance request and had not received the required information which was past due.

The Commission met on January 17, 1989 to consider Contel's motion.

BACKGROUND

Extended Area Service is an area in which Commission policy and the technical and social conditions which determine Commission policy are evolving.

Between March and October, 1987, the Commission consolidated sixteen petitions for EAS to the Metropolitan Area into a single proceeding. The purpose of the consolidation was to allow comprehensive examination of the common policy issues raised by those petitions.

Hearings on the matter are being conducted in three phases. Phase I examined the history, current composition and future needs of the Metropolitan Area. During Phase II contested cases hearings were conducted in the petitioning exchanges. Phase III will focus on the cost of service and appropriate rates for each petitioning exchange.

The Administrative Law Judge's Report and Recommendation on Phases I and II will be submitted to the Commission shortly.

FINDINGS AND CONCLUSIONS

The Commission must decide whether to vary the time requirements of Minn. Rules, parts Minn. 7815.0800 - 7815.1000 for processing the Mayer EAS petition.

The Commission may grant a variance to any of its rules upon finding that the following conditions apply:

- 1. Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
- 2. Granting the variance would not adversely affect the public interest; and
- 3. Granting the variance would not conflict with standards imposed by law.

Minn. Rules, part 7830.4400

The Commission finds that requiring the petitioners, the companies, and the DPS to proceed with the Mayer EAS petition at this time would substantially duplicate information that has been developed for the Metro EAS case. This duplication of effort imposes an unnecessary and excessive burden on those involved in this matter.

Further, deferring consideration of the Mayer petition will not adversely affect the public interest. Rather, the public interest will be served by delaying consideration of this petition because the

Commission's experience in analyzing the policy issues raised in the Metro EAS case could provide helpful background information to the Commission in its evaluation of the issues raised here. While the Commission is committed to the prompt resolution of all ratepayer petitions, in this case the danger of misleading the petitioners outweighs the benefit of a prompt response. A short delay in addressing this matter will not prejudice the parties to this case.

Finally, varying Minn. Rules, parts 7815.0800 - 7815.1000 does not conflict with standards imposed by law.

The Commission concludes that the requirements of Minn. Rules, part 7830.4400 have been met. The Commission will vary Minn. Rules, parts 7815.0800, et seq. to defer consideration of the Mayer EAS petition until July 18, 1989, following the completion of Phases I and II of the Metro EAS case.

ORDER

- 1. The requirements of Minn. Rules, parts 7815.0800 through 7815.1000 are hereby varied in regard to the Mayer EAS Petition, to defer consideration of the Petition until July 18, 1989.
- 2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen Executive Secretary

(SEAL)